

TRIBES FILE SUIT AGAINST STATE FOR BREACH OF GAMING COMPACTS

*San Manuel Band of Mission Indians and Pechanga Band of Luiseno Mission Indians
Seek Court's Intervention to Protect Balance of Tribal/State Power*

SAN MANUEL INDIAN NATION, Calif. – October 28, 2002 – The San Manuel Band of Mission Indians and the Pechanga Band of Luiseno Mission Indians today filed a joint lawsuit in the first ever legal action against the State of California for breach of Tribal-State Gaming Compacts. The lawsuit outlines certain actions and threatened actions by the State that violate the Tribes' reserved sovereign rights.

"Our Tribes have faithfully followed all negotiating mechanisms prior to pursuing litigation," said Mark Macarro, chairman of the Pechanga Band of Luiseno Mission Indians. "In some instances the State has simply and flatly refused to meet with us as required by the Compacts; therefore we have no choice but to seek relief from the courts."

The Tribes allege that the State has established a pattern and practice of breaking its agreements and trying to unilaterally alter Compact provisions. Despite numerous objections and requests by both the San Manuel Band of Mission Indians and the Pechanga Band of Luiseno Mission Indians that any interpretation of the Compacts be determined through a joint process, as outlined in the Compacts, the State continues to circumvent the Tribes' sovereign authority.

The lawsuit notes multiple Compact violations breached by the State. A major claim revolves around the State's distribution of Revenue Sharing Trust Fund fees to tribes that have limited or no gaming. According to the Tribes, the State has failed to manage and distribute the millions of dollars set aside by successful gaming tribes, including Pechanga and San Manuel, to the poorest tribes as required by the Compact.

"The San Manuel Band of Mission Indians gave its word as a sovereign tribal government that it would contribute to the Revenue Sharing Trust Fund, but only if the money was used to help the tribes that have limited opportunities to raise government revenues through gaming," said Deron Marquez, chairman of the San Manuel Band of Mission Indians. "The Compact expressly forbids the State from using its discretion to withhold monies from the poorest tribes. Such a breach of a provision, that San Manuel and the State of California agreed upon and made to our fellow tribal nations, cannot be tolerated. The State's failure to distribute these funds in a timely manner is an egregious breach of our Compacts."

Additionally, the suit calls into question the State's method for determining how other processes, which were never fully spelled out under the Compacts, would be resolved. Rather than achieving mutual consent, the State has issued unilateral edicts dictating to the Tribes how such matters would be handled. Those processes included the method by which certain payments due from Tribes would be calculated, and the methodologies for drawing device licenses and determining the total number of device licenses available statewide.

In each of these disputes the Tribes proposed various solutions that were first accepted but later renounced by the State, without any attempt to reach mutual agreement as the Compact requires. Through legal action, the Tribes are seeking the Court's assistance in compelling the State to keep its promises to Tribal governments, who have upheld their end of the agreements.

About the San Manuel Band of Mission Indians

Descendents of the Serrano Indians, the San Manuel Band of Mission Indians inhabited a territory spanning the San Bernardino Mountains, valley and adjoining desert lands for centuries. Today, the tribe is located on the San Manuel Reservation near Highland, Calif. Like other tribal lands in the United States, the San Manuel Reservation is a sovereign nation with its own system of government and tribal laws. The tribe operates the San Manuel Indian Bingo and Casino and the San Manuel Bottled Water Group, in addition to managing a variety

of economic ventures. A partner in the community, the San Manuel Band of Mission Indians actively contributes to a variety of projects in neighboring areas. Nearby cities and towns receive support from the tribe for cultural, social, and economic projects to benefit the common good of the communities in which the tribe's members live and work.

About the Pechanga Band of Luiseno Mission Indians

The Temecula Valley has been home to the Pechanga Band of Luiseno Mission Indians for more than 10,000 years. Today the Pechanga Band of Luiseno Mission Indians is a full-functioning modern government and its people are experiencing a time of renewed optimism and hope. The Pechanga Tribal Government takes pleasure that we now have the means to build and plan a better life for our people and that we can also share with our neighbors and participate in the civic and charitable life of the Temecula Valley community. The Pechanga Band exclusively owns and operates the Pechanga Resort & Casino which first opened in July, 1995. The Pechanga Resort & Casino includes a 522-room hotel, a 75,000 square foot casino, six restaurants, a state-of-the-art theater, and a 40,000 square foot convention center. In the process of returning to economic viability, we are providing jobs that make life better for many people in the Temecula Valley.

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